

Report for the first Quarter 2006

The MLP Group

Key figures in €'000	1st Quarter 2006	1st Quarter 2005	Change in %
Continuing operations			
Total income	129.8	108.5	20%
Income from brokerage business	106.0	88.9	19%
Income from banking business	16.7	12.3	36%
Other income	7.0	7.3	-4%
Profit from operations (EBIT)	12.3	7.3	68%
Profit before tax (EBT)	14.5	6.1	>100%
Net profit from continuing operations	8.5	3.3	>100%
Earnings per share in EUR	0.08	0.03	>100%
Capital expenditure	9.2	2.8	>100%
Shareholders' equity (Group)	426.1	455.2*	-6%
Clients	663,000	654,300*	1%
Consultants	2,524	2,545*	-1%
Branch offices	281	294	-4%
Employees	1,693	1,569	8%
Arranged new business			
Pension provision (premium sum in billion EUR)	1.6	0.6	>100%
Health insurance (annual premium)	16.5	9.8	68%
Loans and mortgages	304	195	56%
Inflows into funds	315	154	>100%
Funds under management (in billion EUR)	3.1	2.9*	7%

* as at 31.12.2005

MLP clearly improves revenues and profit in the first quarter 2006

- **Total revenue climb by 20 per cent to EUR 129.8 million**
- **Profit before tax (EBT) more than doubles at EUR 14.5 million**
- **Net profit increased from EUR 3.3 million to EUR 8.5 million**
- **Clear improvement in new client acquisition**

The Heidelberg-based financial services company MLP has successfully closed the first quarter of 2006 and reports clear improvements for all major indicators. The company's total revenue rose by 20 per cent over the same period last year to EUR 129.8 million (Q1/2005: EUR 108.5 million). Profit before tax (EBT) has more than doubled from EUR 6.1 million to EUR 14.5 million. The same applies for net profit for continuing business operations, which increased from EUR 3.3 million to EUR 8.5 million. A shortfall of some EUR 0.4 million is no longer included in the last year's figure as new business activities have been discontinued (announced in March) in Switzerland.

With this result, MLP has smoothly continued on with the success of the 2005 business year and at the same time is laying the foundations to continue expanding MLP's strong position in the financial services market in the current business year.

Clear improvements in revenues for the brokerage and banking business

Revenue in the consulting and sales segment climbed by 21 per cent over last year to EUR 109.9 million (EUR 91.1 million). Pre-tax profit (EBT) for the segment increased by 57 per cent to EUR 13.7 million (EUR 8.7 million). The decisive factors here were mainly the increase in Riester policies as well as a clear growth in productivity. The so-called "Riester-steps" affected revenues by approximately EUR 25 million in Q1 and contributed around EUR 12 million to the pre-tax profit.

Banking segment revenue climbed by 35 per cent to EUR 16.7 million (EUR 12.4 million). The segment's pre-tax profit (EBT) increased from EUR 1.4 million to EUR 1.5 million (7 per cent).

New business figures exceed previous year's levels clearly

MLP has clearly improved its new business figures in the first quarter of 2006 over the same period last year. Total premiums for long-term provisional products have more than doubled to EUR 1.6 billion (EUR 0.6 billion). Annual premiums for private health insurance increased by 68 per cent to EUR 16.5 million (EUR 9.8 million). New business in loans and mortgages totalled EUR 304 million over EUR 195 million in the previous year (an increase of 56 per cent). Inflows into funds have also performed well. They have doubled from EUR 154 million to EUR 315 million, including daily allowances. Funds under management by the MLP Group have climbed since year start by 7 per cent to EUR 3.1 billion (EUR 2.9 billion). Non-life insurance remained stable with annual premiums totalling EUR 5.2 million (EUR 5.3 million).

This trend shows that MLP is not only clearly above the 2005 level, but has often also exceeded the new business figures set in the record year 2004. The figures are also clear confirmation of the success of MLP's unique integral consultation approach.

Clear improvements in new client acquisition in first quarter

The number of new MLP clients increased between January and March 2006 by 8,700 (5,500) resulting in a total client number of 663,000. The number of consultants has risen slightly to 2,524 over the previous year's level (2,500). Revenue per consultant has thus clearly improved to EUR 44,000 (EUR 36,000).

Consolidated income statement

Income statement for the period from 1 January to 31 March 2006

All figures in €'000	Note	1st Quarter 2006	1st Quarter 2005
Continuing operations			
Income from brokerage business	[1]	106,039	88,912
Income from banking business	[2]	16,749	12,288
Other income		7,031	7,274
Total income		129,819	108,474
Expenses for brokerage business		-50,899	-40,561
Expenses for banking business	[3]	-4,985	-3,105
Personnel expenses		-18,677	-14,823
Depreciation/amortisation		-4,237	-4,466
Operating expenses	[4]	-38,758	-38,233
Profit from operations (EBIT)		12,263	7,286
Other interest and similar income		2,756	1,801
Other interest and similar expenses		-556	-2,981
Finance cost		2,200	-1,180
Profit before tax (EBT)		14,463	6,106
Income taxes		-5,988	-2,811
Profit from continuing operations		8,475	3,295
Operations to be discontinued and discontinued operations	[7]		
Overall profit from operations to be discontinued		-2,198	-399
Overall profit from discontinued operations		584	6,357
Overall profit from operations to be discontinued and discontinued operations		-1,614	5,958
Net profit (total)		6,861	9,253
Of which			
shareholders of the parent company account for		6,861	9,248
minority interests account for		-	5
Earnings per share in €		0.06	0.09
Diluted earnings per share in €		0.06	0.08

Consolidated balance sheet

Assets as at 31 March 2006

All figures in €'000	Note	31st March 2006	31st December 2005
Intangible assets		29,494	22,917
Property, plant and equipment		92,662	94,746
Investment property		15,431	15,538
Deferred tax assets		1,047	1,568
Receivables from banking business	[5]	590,406	511,023
Financial investments	[6]	227,358	236,741
Tax refund claims		20,511	19,184
Receivables and other assets		90,457	150,293
Cash and cash equivalents		108,387	130,003
Assets from operations to be discontinued	[8]	6,402	–
Total		1,182,155	1,182,013

Liabilities and shareholders' equity as at 31 March 2006

All figures in €'000		31st March 2006	31st December 2005
Equity attributable to MLP AG shareholders		426,004	455,129
Minority interest		63	63
Total shareholders' equity		426,067	455,192
Other provisions		32,263	32,659
Deferred tax liabilities		1,388	1,265
Liabilities due to banking business		581,076	499,282
Tax liabilities		14,390	13,977
Other liabilities		121,112	179,638
Liabilities from operations to be discontinued	[9]	5,859	–
Total		1,182,155	1,182,013

Consolidated cash flow statement

Consolidated cash flow statement for the period from 1 January to 31 March 2006

All figures in €'000	1st Quarter 2006	1st Quarter 2005
Cashflow from operating activities	18,346	63,967
Cashflow from investing activities	-48,481	-75,508
Cashflow from financing activities	-157	-23,153
Changes in cash and cash equivalents	-30,292	-34,694
Changes in cash and cash equivalents due to exchange rate movements	-41	15
Changes in cash and cash equivalents at end of period	299,641	199,855

Thereof operations to be discontinued:

All figures in €'000	1st Quarter 2006	1st Quarter 2005
Cashflow from operating activities	55	-314
Cashflow from investing activities	-977*	2
Cashflow from financing activities	-	-
Changes in cash and cash equivalents	-922	-312
Changes in cash and cash equivalents due to exchange rate movements	-23	-9
Changes in cash and cash equivalents at end of period	1,283	2,153

Thereof discontinued operations:

All figures in €'000	1st Quarter 2006	1st Quarter 2005
Cashflow from operating activities	-	59,529
Cashflow from investing activities	-1,113**	-69,120
Cashflow from financing activities	-	-
Changes in cash and cash equivalents	-1,113	-9,591
Changes in cash and cash equivalents due to exchange rate movements	-	-
Changes in cash and cash equivalents at end of period	-	57,782

* Payments associated with the discontinuation of the operative business of MLP Private Finance AG, Zurich.

** Payments associated with the sale of MLP Lebensversicherung AG and MLP Versicherung AG in 2005.

Segment reporting

Continuing operations

All figures in €'000	Consulting and Sales		Bank	
	1st Quarter 2006	1st Quarter 2005	1st Quarter 2006	1st Quarter 2005
Segment income				
Income from third parties				
Brokerage business	109,900	91,103	–	–
Banking business	–	–	16,749	12,415
thereof with other discontinued segments	3,861	2,191	0*	127
Total segment income	109,900	91,103	16,749	12,415
Other income	6,838	7,477	78	49
Segment expenses				
Brokerage business	–50,899	–40,688	–	–
Banking business	–	–	–8,767	–5,132
Personnel expenses	–14,846	–12,164	–1,837	–1,514
Depreciation/amortisation	–3,227	–3,456	–93	–87
Other	–34,239	–32,024	–4,658	–4,335
Total segment expenses	–103,211	–88,332	–15,355	–11,068
Segment result before finance cost	13,527	10,248	1,472	1,396
Other interest and similar income	222	1,304	0*	0*
Other interest and similar expenses	–78	–2,816	–1	–12
Finance cost	144	–1,512	–1	–12
Segment result after finance cost before tax	13,671	8,736	1,471	1,384
Income tax expenditure/revenue	–	–	–	–
Segment result from continuing operations after tax	–	–	–	–
Segment result from operations to be discontinued	–	–	–	–
Segment result from discontinued operations	–	–	–	–
Group net profit incl. minority interest	–	–	–	–

* less than € 1 thsd

	Internal services and administration		Consolidation		Total	
	1st Quarter 2006	1st Quarter 2005	1st Quarter 2006	1st Quarter 2005	1st Quarter 2006	1st Quarter 2005
	-	-	-3,861	-2,191	106,039	88,912
	-	-	0	-127	16,749	12,288
	-	-	-	-	-	-
	-	-	-3,861	-2,318	122,788	101,200
	4,135	3,265	-4,020	-3,517	7,031	7,274
	-	-	-	127	-50,899	-40,561
	-	-	3,782	2,027	-4,985	-3,105
	-1,994	-1,145	-	-	-18,677	-14,823
	-917	-923	-	-	-4,237	-4,466
	-4,018	-5,433	4,157	3,559	-38,758	-38,233
	-6,929	-7,501	7,939	5,713	-117,556	-101,188
	-2,794	-4,236	58	-122	12,263	7,286
	2,609	711	-75	-214	2,756	1,801
	-501	-367	24	214	-556	-2,981
	2,108	344	-51	-	2,200	-1,180
	-686	-3,892	7	-122	14,463	6,106
	-	-	-	-	-5,988	-2,811
	-	-	-	-	8,475	3,295
	-	-	-	-	-2,198	-399
	-	-	-	-	584	6,357
	-	-	-	-	6,861	9,253

Consulting and sales segment

An increase in income of 21 per cent to EUR 109.9 million has been posted for the Consulting and Sales segment in the reporting period. This also includes income from the third “Riester” step (Riesterstufe) amounting to approximately EUR 25 million. Alongside the field of old-age provisions, the areas health insurance, non-life insurance and financing also contributed to this pleasing business development.

Expenditure in this segment totalled EUR 103.2 million in Q1 2006 and is 17 per cent higher than in the previous year. The largely variable expenses for the brokerage business climbed here from EUR 40.7 million to EUR 50.9 million, personnel expenditure increased following new hires in the areas occupational pension provision and sales support in the second half of 2005. Depreciation remained practically unchanged over last year at EUR 3.2 million. The increase in “other expenses” by 7 per cent is mainly due to higher marketing expenditure. Overall, the segment EBIT totals EUR 13.5 million, representing an increase of 32 per cent over Q1 2005. The EBIT margin has also increased from 11.2 per cent to 12.3 per cent.

Foreign business activities (not including the subsidiary MLP Private Finance AG, Zurich) posted a pre-tax loss of EUR –0.7 million during the reporting period (2005: EUR –1.0 million). Our Austrian subsidiary made the greatest contribution to this positive development by clearly improving both total earnings and also pre-tax results.

The segment’s financial result has improved during the reporting period and has increased from EUR –1.5 million to EUR 0.1 million. This can largely be attributed to repaid factoring agreements in 2005 and the resulting interest expense savings. As such, the Consulting and Sales segment has posted pre-tax earnings (EBT) totalling EUR 13.7 million (2005: EUR 8.7 million).

The customer base continued to grow at a pleasing rate during Q1 2006. On the cut-off date of March 31, 2006 MLP clients totalled some 663,000. This means that some 8,700 new clients were acquired in the first quarter of the current year. In the same period of the previous year the number of new clients only totalled 5,500. The number of consultants has increased over the same quarter last year from 2,500 to 2,524.

Business development across all segment areas was pleasing. New business in the old-age provisions field has increased from EUR 0.6 billion to EUR 1.6 billion total premiums (including the so-called “Riester” step in Germany). Arranged annual premiums for health insurance have climbed from EUR 9.8 million to EUR 16.5 million. The financing sector continued in the same positive vane as last year and reported an increase of 56 per cent to EUR 304 million. Pleasing results have also been posted for the financial investments field. Inflows into funds climbed by more than two-fold to EUR 315 million. Assets managed by the MLP Group increased from EUR 2.9 billion at the end of 2005 to EUR 3.1 billion at the cut-off date on March 31st, 2006.

Bank segment

Business volume as well as the managed depot business in the Bank segment both increased once again in the first quarter of the current business year. Segment earnings climbed as a result by 35 per cent to EUR 16.7 million.

Total expenses in the segment increased from EUR 11.1 million to EUR 15.4 million. Increases in expenditure for the banking business were the main cause here. Interest expenses have also increased due to the increased balance sheet volumes. The commission expenditure also increased as funds into the depot business rose. The interest and commissions result totalled EUR 2.7 million and EUR 6.1 million respectively.

Pre-tax segment earnings (EBT) following the financial result increased from EUR 1.4 million to EUR 1.5 million.

Internal services and administration segment

This segment has posted pre-tax earnings (EBT) totalling EUR –0.7 million for the reporting period (2005: EUR –3.9 million). This improvement can be attributed to a subsequent profit component from the sale of MLP Lebensversicherung AG in 2005 totalling EUR 0.8 million in Q1 2006, the clear declines in other expenses as well as the increased financial result from EUR 0.3 million to EUR 2.1 million (resulting mainly from the interest yield on the higher cash fund stocks).

Changes in the consolidated shareholders' equity

All figures in €'000	Equity attributable to MLP AG shareholders						Minority interest	Total shareholders' equity
	Share capital	Capital reserves	Treasury stock	Available-for-Sale reserve	Remaining equity	Total		
As at 1 January 2005	108,641	9,361	–	–229	171,204	288,977	586	289,563
Change in the scope of consolidation	–	–	–	–	–	–	–	–
Currency translation	–	–	–	–	53	53	–	53
Capital increases	–	–	–	–	–	–	–	–
Change in available-for-sale reserve	–	–	–	117*	–	117	–	117
Net profit	–	–	–	–	9,248	9,248	5	9,253
Dividends paid to shareholders and minority shareholders	–	–	–	–	–	–	–	–
Convertible debentures	–	401	–	–	–	401	–	401
Acquisition of treasury stock	–	–	–	–	–	–	–	–
As at 31 March 2005	108,641	9,762	–	–112	180,505	298,796	591	299,387
As at 1 January 2006	108,641	11,474	–10,505	63	345,456	455,129	63	455,192
Change in the scope of consolidation	–	–	–	–	–	–	–	–
Currency translation	–	–	–	–	–27	–27	–	–27
Capital increases	–	–	–	–	–	–	–	–
Change in available-for-sale reserve	–	–	–	–42	–	–42	–	–42
Net profit	–	–	–	–	6,861	6,861	–	6,861
Dividends paid to shareholders and minority shareholders	–	–	–	–	–	–	–	–
Convertible debentures	–	619	–	–	–	619	–	619
Acquisition of treasury stock	–	–	–36,536	–	–	–36,536	–	–36,536
As at 31 March 2006	108,641	12,093	–47,041	21	352,290	426,004	63	426,067

* thereof € 108 thsd from discontinued operations

Notes

1. General information

The MLP AG Interim Report was compiled in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB), London, taking into account the interpretation of the International Financial Reporting Interpretations Committee (IFRIC), in as far as this has been adopted from the European Union. IAS 34 (interim reporting) was applied here.

The “interim report” presented here was not subject to an audit examination. Figures are presented in euro thousands (thsd) unless otherwise stated.

2. Accounting policies

Fundamentally the same consolidation principles and accounting and valuation methods were applied for the interim report and the comparison with figures from the previous year as were applied for the group annual report 2005. A detailed description of the accounting and valuation methods is published in the notes to the annual report 2005. This can be downloaded from the company’s website at www.mlp.de.

Results from discontinued operations and operations to be discontinued, will be posted separately in the profit and loss account, die non-current assets held for sale and liabilities will be posted in the balance sheet. The comparative periods were adjusted accordingly in the profit and loss account and are thus no longer comparable with the accounts presented in previous years. The balance sheet figures from previous years do not have to be adjusted according to IFRS 5.

In order to provide final account addressees with a better assessment of the financial effects of the operations to be discontinued and discontinued operations (IFRS 5.30), we have not applied the consolidation of expenditure and earnings between the continued operations and those to be discontinued.

The scheduled depreciation of long-term assets for operations to be discontinued and discontinued operations was compiled according to IFRS 5.25.

The following explanations in the notes refer to continued operations, with the exception of the explanations made explicitly under the item “operations to be discontinued and discontinued operations”.

3. Scope of consolidation

The consolidated Group report includes the MLP AG final accounts and those of the companies it controls, listed below (subsidiaries) according to IAS 27, in which it holds the majority of voting rights or for which it has the factual control. No changes were made to the scope of consolidation of MLP AG in the first quarter 2006.

The following table shows the scope of consolidation of MLP AG:

	Shareholding in %	First consolidated
Subsidiaries		
MLP Finanzdienstleistungen AG, Heidelberg	100	31 Dec 1992
MLP Login GmbH, Heidelberg	100	31 Dec 1995
MLP Bank AG, Heidelberg	100	31 Dec 1997
MLP Private Finance plc., London, Great Britain	100	31 Dec 2001
MLP Private Finance Correduria de Seguros S.A., Madrid, Spain	100	22 Feb 2002
MLP Private Finance AG, Zurich, Switzerland	99,93	28 Feb 2002
MLP BAV GmbH, Heidelberg	100	1 Apr 2004
BERAG Beratungsgesellschaft für betriebliche Altersversorgung und Vergütung mbH, Bremen	51,08	8 Oct 2004
BERAG Versicherungs-Makler GmbH, Bremen	51,08	8 Oct 2004
MLP Vermögensberatung AG, Vienna, Austria	100	9 Mar 2005

4. Treasury stock

The Executive Board of MLP AG took a decision on 11 November 2005, following the Supervisory Board's approval of the same date, to acquire treasury stock up to ten percent of the present share capital of 108,640,686 shares.

In the period from 1 January 2006 to 31 March 2006 a total of 1,928,000 shares were purchased at a total value of EUR 36,536,101 exclusively by MLP AG. This represents 1.77 per cent of the capital stock. The purchased shares account for EUR 1,928,000 of the share capital.

A total of 2,542,509 shares equating to the value of EUR 47,041,148.67 have been purchased since the launch of the share buy-back program. This represents 2.34 per cent of the capital stock. The purchased shares account for EUR 2,542,509 of the share capital.

5. Notes to the consolidated income statement

Income by business segment is stated in the segment report.

[1] 5.1 Income from brokerage business

The income from brokerage business breaks down as follows:

All figures in €'000	1st Quarter 2006	1st Quarter 2005
Life insurance	71,201	61,277*
Health insurance	14,850	10,453
Non-life insurance	12,075	10,903
Mutual funds	2,884	3,211
Loans	3,055	1,754
Other income	1,974	1,314
Total	106,039	88,912

* Before consolidation (incl. discontinued operations)

[2] 5.2 Income from banking business

The income from banking business breaks down as follows:

All figures in €'000	1st Quarter 2006	1st Quarter 2005
Interest and similar income	5,472	4,204
Non-current income from investments	1	–
Fair value option loan	153	–
Commission income	11,123	8,084
Total	16,749	12,288

Commission income from the banking business is essentially down to income received from bank accounts, the credit card and financing business and from fees for wealth management and saving scheme products.

[3] 5.3 Expenses for banking business

The following table shows the expenses for the banking business:

All figures in €'000	1st Quarter 2006	1st Quarter 2005
Interest and similar expenses	2,714	1,832
Expenses for investments	3	–
Allowances for losses	766	808
Change fair value option	209	30
Commissions paid	1,293	435
Total	4,985	3,105

[4] 5.8 Operating expenses

The development of other operating expenses is disclosed in this table:

All figures in €'000	1st Quarter 2006	1st Quarter 2005
IT costs	9,866	8,960
Cost of premises	6,152	5,370
Audit and consultancy costs	2,095	3,475
Communication requirements	2,800	2,842
Value adjustments on receivables	105	18
Training and seminars	2,048	4,717
Expenses for retired sales representatives	1,062	1,098
Advertising expenses	3,050	1,127
Representation, entertainment expenses	1,555	727
Office supplies	838	642
Other taxes	75	69
Currency translation expenses	4	1
Sundry other expenses	9,108	9,187
Total	38,758	38,233

6. Notes to the balance sheet

[5] 6.1 Receivables from banking business

Receivables due from banking business relate to bank clients and financial institutions as follows:

All figures in €'000	31.03.2006	31.12.2005
Receivables from bank clients	264,087	272,798
Receivables from other financial institutions	326,319	238,225
Total	590,406	511,023

Receivables from bank clients relate mainly to debts from loans, accounts and credit cards.

[6] 6.2 Financial assets

Financial assets consist of:

All figures in €'000	31.03.2006	31.12.2005
Available-for-sale financial assets		
Investments	1,373	1,373
Available-for-sale securities	35,803	35,184
Loans	182	184
Other financial assets	190,000	200,000
Total	227,358	236,741

[7] 7. Operations to be discontinued and discontinued operations

In the process of restructuring its foreign business operations, MLP is considering extensive changes at the Swiss subsidiary MLP Private Finance AG, Zurich. These would result in the discontinuation of operating business activities. Following final approval by the authorities MLP also de-consolidated the companies MLP Lebensversicherung AG and MLP Versicherung AG on September 5, 2005 and August 16, 2005 respectively in the third quarter 2005.

MLP Private Finance AG is presented as an operation to be discontinued, while MLP Lebensversicherung AG and MLP Versicherung AG are presented as already discontinued operations.

Operations to be discontinued and already discontinued operations are to be presented separately in line with IFRS 5. The income statement has been adjusted by the respective amounts from the operations to be discontinued and the discontinued operations, the resulting net earnings have been posted in a separate line in the profit and loss accounts. The corresponding assets and liabilities from the operations to be discontinued have been posted separately in the balance sheet.

Income statement for the period 1 January to 31 March 2006

All figures in €'000	1st Quarter 2006	1st Quarter 2005
Income from brokerage business	578	732
Other income	0*	27
Total income	578	759
Other expenses	-891	-1.147
Profit from operations (EBIT)	-313	-388
Finance cost	-31	-11
Profit before tax (EBT)	-344	-399
Income taxes	22	-
Operating result	-322	-399
Cost to sell	-1,876	-
Overall profit from operations to be discontinued	-2,198	-399
Overall profit from discontinued operations	584	6,357
Overall profit from operations to be discontinued and discontinued operations	-1,614	5,958
Earnings per share in €	-0.02	0.06
Diluted earnings per share in €	-0.02	0.05

* less than € 1 thsd

The overall profit from discontinued operations of EUR 584 thsd in Q1 2006 is connected with the release of provisions for sales costs that was formed in 2005 but not required in full.

[8] Assets of as at 31 March 2006

All figures in €'000	31.03.2006
Property, plant and equipment	4
Deferred provisions	0*
Tax refund claims	0*
Account receivable and other assets	5,115
Cash and cash equivalents	1,283
Total	6,402

[9] Liabilities of as at 31 March 2006

All figures in €'000	31.03.2006
Shareholders equity	–
Insurance provisions	555
Deferred provisions	0*
Tax liabilities	–
Other liabilities	5,304
Total	5,859

* less than € 1 thsd

8. Notes to the consolidated cash flow statement

The cash flow statement illustrates the change in cash resources of the MLP Group during the course of the business year as a result of the cash flows from operating, financing and investment activities. In addition to changes in fixed assets the payments for investment operations also cover payments for the purchase of own shares from the share buy-back program initiated in December 2005. The financing business reflects the cash-related changes in equity capital and borrowing/repayments. All other payments from main business activities that affect turnover are assigned to operating business activities.

9. Notes on Group reporting by segment

Segmentation of the MLP Group annual account data is based on the internal organisational structure of the MLP Group according to business segments (primary segment).

The business segments are made up of the individual companies in the MLP Group. The reportable segments constitute strategic Group business segments which differ as regards their services and products, as well as the regulatory framework.

Derivation of the reportable strategic business segments is based on the criteria of the relationship between potential opportunities and risks in the market in which the MLP Group transacts business.

The MLP Group is currently structured in the following business segments:

- Consulting and sales
- Banking
- Internal services and administration

The object of the consulting and sales segment consists of consulting services for academics and other discerning clients, particularly with regard to insurance, investments, occupational old-age provision schemes and financing of all kinds, as well as of the broking of contracts concerning these financial services. With 2,524 consultants and a comprehensive scope of services, the company currently caters for some 663,000 clients in the named segments. In order to offer clients innovative and tailor-made financial plans, products used include those available on the market from third parties and from MLP Bank AG. Outside the core market in Germany, services are also offered abroad in Great Britain, Austria, the Netherlands and Spain.

The segment was increased by one company in the business year 2005 by the foundation of the wealth management company MLP Vermögensberatung AG and constituted, until December 31, 2005 the companies MLP Finanzdienstleistungen AG, Heidelberg, MLP Private Finance plc., London, Great Britain, MLP Private Finance Correduria de Seguros S.A., Madrid, Spain, BERAG Beratungsgesellschaft für betriebliche Altersversorgung und Vergütung mbH, Bremen, BERAG Versicherungs-Makler GmbH, Bremen, MLP BAV GmbH, Heidelberg, as well as MLP Vermögensberatung AG, Vienna, Austria.

As part of the ongoing tightening of the Group structure, the company MLP Login GmbH was merged with MLP Finanzdienstleistungen AG with effect from April 10, 2006. Since MLP Login GmbH provides IT services almost exclusively for MLP Finanzdienstleistungen AG subsequent to the sale of MLP Lebensversicherung AG and MLP Versicherung AG, the MLP Login GmbH was restructured from the segment Internal Services and Administration to the Consultation and Sales segment. Figures from the previous year have been adjusted.

Additionally, MLP Private Finance AG, Zürich, Switzerland has been presented in Q1 2006 separately as an operation to be discontinued and this outside the segment Consultation and Sales. Figures from the previous year have also been adjusted here.

The banking segment includes the administration of financial portfolios, the trustee credit business, the loan and credit card business, consulting regarding investment decisions concerning investment funds, as well as the conception and organisational implementation of new financial products for the MLP Group. The segment is made up exclusively of MLP Bank AG.

The internal services and administration segment is made up of MLP AG and MLP Login GmbH. All internal services and activities of the MLP Group are thus combined in a separate segment.

The information supplied concerning the individual segments is based on standardised accounting and valuation methods which were also applied for establishing the consolidated figures of the Group's financial statements.

Presentation of the individual business sectors (primary segments) takes place after consolidation of internal transactions within the individual business sectors, but before cross-segment consolidation.

Intrasegment supplies and services are settled in principle at normal market prices. In the case of intra-group allocations, an appropriate general overhead surcharge is levied on the direct costs actually incurred.

All segments perform their economic activities predominantly in Germany. The consulting and sales segment also has minor operations in Switzerland, Austria, the Netherlands, Great Britain and Spain.

As the Group chiefly confines its business activities to Germany (proportion of foreign revenue in the period under review and in the previous year is less than three percent), a geographic (secondary) breakdown of the segments is not required.

10. Other information

The number of employees totalled 1,693 as per March 31, 2006 (Previous year: 1,569). Of these, some 387 were employed on a part-time basis (previous year: 345).

Executive bodies MLP AG

Executive board

Dr. Uwe Schroeder-Wildberg (chief executive officer)
Eugen Bucher
Gerhard Frieg
Nils Frowein

Supervisory board

Manfred Lautenschläger (chairman)
Gerd Schmitz-Morkramer (vice-chairman)
Dr. Peter Lütke-Bornefeld
Johannes Maret
Maria Bähr (employee representative)
Norbert Kohler (employee representative)

Financial calendar 2006

31 May 2006

Annual General Meeting 2006 in Mannheim, Germany

9 August 2006

Results for the 2nd quarter 2006

8 November 2006

Results for the 3rd quarter 2006

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